

**Coloma Charter Township &
City Cemetery**
Berrien County, Michigan

Financial Report

March 31, 2004

Coloma Charter Township & City Cemetery

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Independent Auditor's Report

Members of the Coloma Charter Township & City Cemetery Board
Coloma, Michigan

We have audited the accompanying financial statements of the Coloma Charter Township & City Cemetery, as of March 31, 2004 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coloma Charter Township & City Cemetery, as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

May 13, 2004

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Coloma Charter Township & City Cemetery

Balance Sheet March 31, 2004

	General Fund	General Long-Term Debt Account Group	Total
Assets			
Cash (Note 2)	\$ 41,482	\$ -	\$ 41,482
Accounts receivable	-	-	-
Amount to be provided for retirement of general long-term debt	-	11,340	11,340
	<u>-</u>	<u>11,340</u>	<u>11,340</u>
Total assets	<u>\$ 41,482</u>	<u>\$ 11,340</u>	<u>\$ 52,822</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	630	-	630
Long-term debt - accumulated employee benefits (Note 3)	-	11,340	11,340
	<u>-</u>	<u>11,340</u>	<u>11,340</u>
Total liabilities	630	11,340	11,970
Fund Balance	<u>40,852</u>	<u>-</u>	<u>40,852</u>
Total liabilities and fund balance	<u>\$ 41,482</u>	<u>\$ 11,340</u>	<u>\$ 52,822</u>

Coloma Charter Township & City Cemetery

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Year Ended March 31, 2004

Revenue

Local unit contributions	\$ 55,109
Charges for services	26,489
Miscellaneous	<u>20,994</u>

Total revenue 102,592

Expenditures

Personnel	41,419
Professional services	3,300
Gas and Oil	1,035
Supplies	1,614
Utilities	2,836
Repairs and maintenance	4,267
Capital outlay	32,642
Board Fees	900
Insurance	12,341
Miscellaneous	<u>1,006</u>

Total expenditures 101,360

Excess of Revenue Over Expenditures 1,232

Fund Balance - Beginning of year 39,620

Fund Balance - End of year \$ 40,852

Coloma Charter Township & City Cemetery

Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Local unit contributions	\$	\$ 55,109	\$
Charges for services		26,489	
Miscellaneous		20,994	
Total revenue	86,719	102,592	15,873
Expenditures			
Personnel	41,335	41,419	(84)
Professional services	2,500	3,300	(800)
Gas and Oil	2,500	1,035	1,465
Supplies	1,880	1,614	266
Utilities	2,550	2,836	(286)
Repairs and maintenance	3,600	4,267	(667)
Capital outlay	6,000	32,642	(26,642)
Board Fees	1,100	900	200
Insurance	15,775	12,341	3,434
Miscellaneous	-	1,006	(1,006)
Total expenditures	77,240	101,360	(24,120)
Excess of Revenue Over Expenditures	9,479	1,232	(8,247)
Fund Balance - Beginning of year	39,620	39,620	-
Fund Balance - End of year	<u>\$ 49,099</u>	<u>\$ 40,852</u>	<u>\$ (8,247)</u>

Coloma Charter Township & City Cemetery

Notes to Financial Statements March 31, 2004

Note 1 – Summary of Significant Accounting Policies

Effective January 1, 2003, the Cemetery changed its year end from December 31 to March 31.

The accounting policies of the Coloma Charter Township & City Cemetery ("the Cemetery") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity - The Cemetery is a joint venture between the City of Coloma and Coloma Charter Township and is governed by an appointed five-member Board.

Fund Accounting - The accounts of the Cemetery are organized on the basis of a fund and an account group, each of which is considered a separate accounting entity. The Cemetery activity in the combined financial statements is reported in one generic fund type as follows.

The General Fund contains the records of the ordinary activities of the Cemetery. General Fund activities are financed by revenue from charges for services and from supporting local units.

Basis of Accounting

The Cemetery utilizes the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- b. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Fixed Assets - Fixed assets acquired by the Coloma Charter Township & City Cemetery are the property of the respective governmental units of the Cemetery. These assets are accounted for in the general fixed asset group of accounts of each local unit involved based on their proportionate ownership in the Cemetery.

Long-Term Liabilities – Long-term liabilities expected to be financed from the general fund are accounted for in the General Long-term Debt Account Group, not in the general fund.

The General Long-term Debt Account Group is not a fund and does not involve the measurement of results of operations.

Coloma Charter Township & City Cemetery

Notes to Financial Statements March 31, 2004

Note 2 – Deposits

The Cemetery's cash, comprised solely of bank deposits, is classified by Governmental Accounting Standards Board Statement Number 3 as bank deposits including checking and savings accounts. The balance at March 31, 2004 was \$41,482. Those deposits were recorded in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$47,152 at March 31, 2004, all of which was covered by federal depository insurance.

Note 3 – Long-Term Debt

Long-term debt consists entirely of accumulated employee benefits in the amount of \$11,340.

Interest

The Cemetery did not incur any interest expense for the year ended March 31, 2004.

Note 4 – Risk Management

The Cemetery is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Cemetery participates in the Michigan Townships Participating Plan for all claims.

The Michigan Townships Participation Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Coloma Charter Township & City Cemetery

Notes to Financial Statements March 31, 2004

Note 5 – Budget Information

The budget is prepared by the Cemetery management and adopted by the Cemetery; subsequent amendments are approved by the Cemetery. Unexpended appropriations lapse at year-end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2004 have not been calculated.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget statement (statement of revenue, expenditures and changes in fund balance – budget and actual – general fund) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a line item basis; expenditures at this level in excess of amounts budgeted is a violation of Michigan law.

Significant expenditure budget overruns for the year ended March 31, 2004 were as follows:

	<u>Budget</u>	<u>Actual</u>
Capital outlay/debt service	\$ 6,000	\$ 32,642
Miscellaneous	-	1,006

Note 6 – Upcoming Reporting Change

For the year beginning April 1, 2004, the Cemetery Board plans to adopt GASB Statement Number 34. This will dramatically revise the information being reported in these financial statements. Governmental activities will report information by individually significant fund, as well as in total on the full accrual basis of accounting. Information is not available to present pro-forma data that would show the effect of this future change.